
OCTOBER 2021 ECONOMIC UPDATE

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UPSIDE/DOWNSIDE

Upside Potential

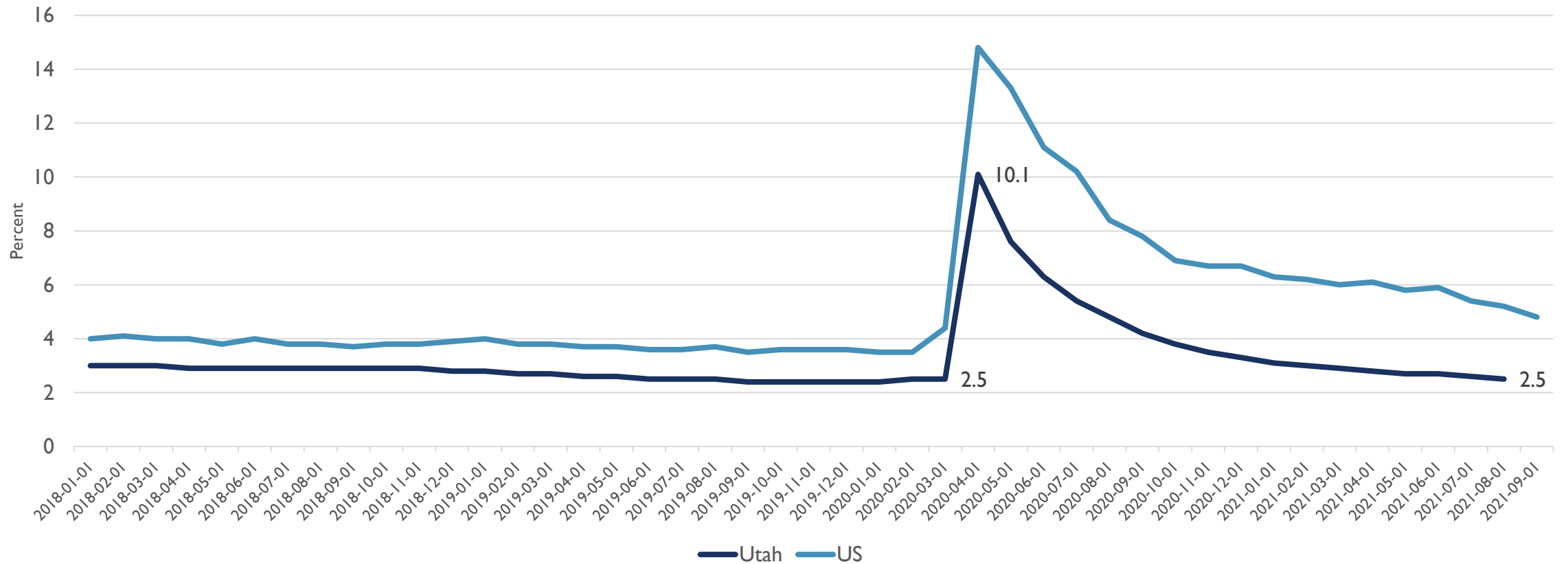
- Low unemployment
- Federal stimulus aiding collections
- Slowing COVID cases

Downside Risk

- Persistent inflation
- Supply/demand issues
 - Shift in consumption
- Sticky labor force participation
- End of fiscal intervention

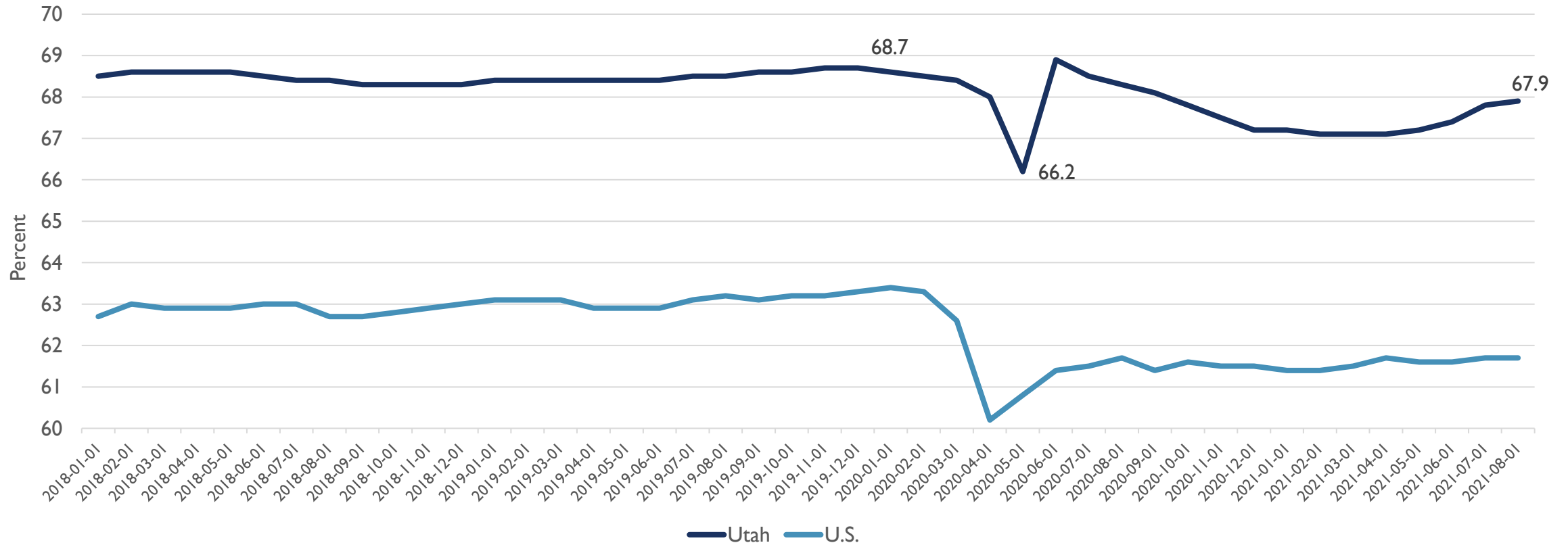
EMPLOYMENT AND LABOR FORCE

UNEMPLOYMENT RATE



Source: U.S. Bureau of Labor Statistics

LABOR FORCE PARTICIPATION



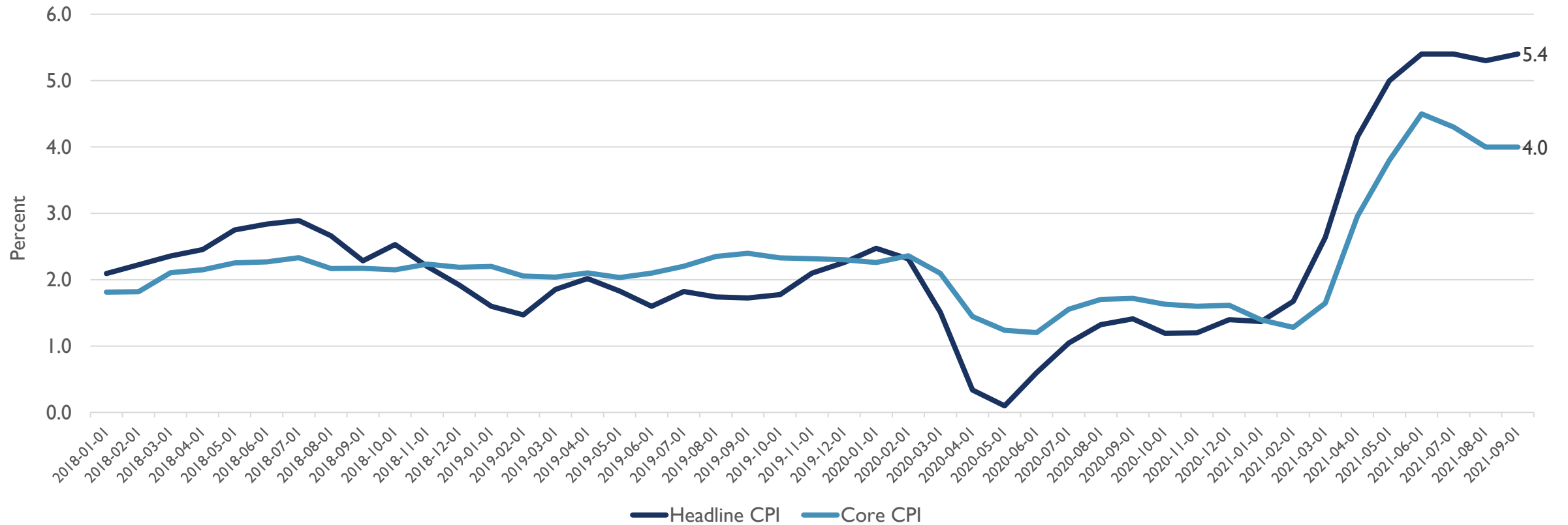
Source: U.S. Bureau of Labor Statistics

FACTORS IN LABOR PARTICIPATION

- Labor market can lag economy
- Reallocation
- Covid spread
- Childcare/schooling
- Low flow of people from retirement back to workforce

INFLATION

CPI – YEAR-OVER-YEAR CHANGE



Source: U.S. Bureau of Labor Statistics

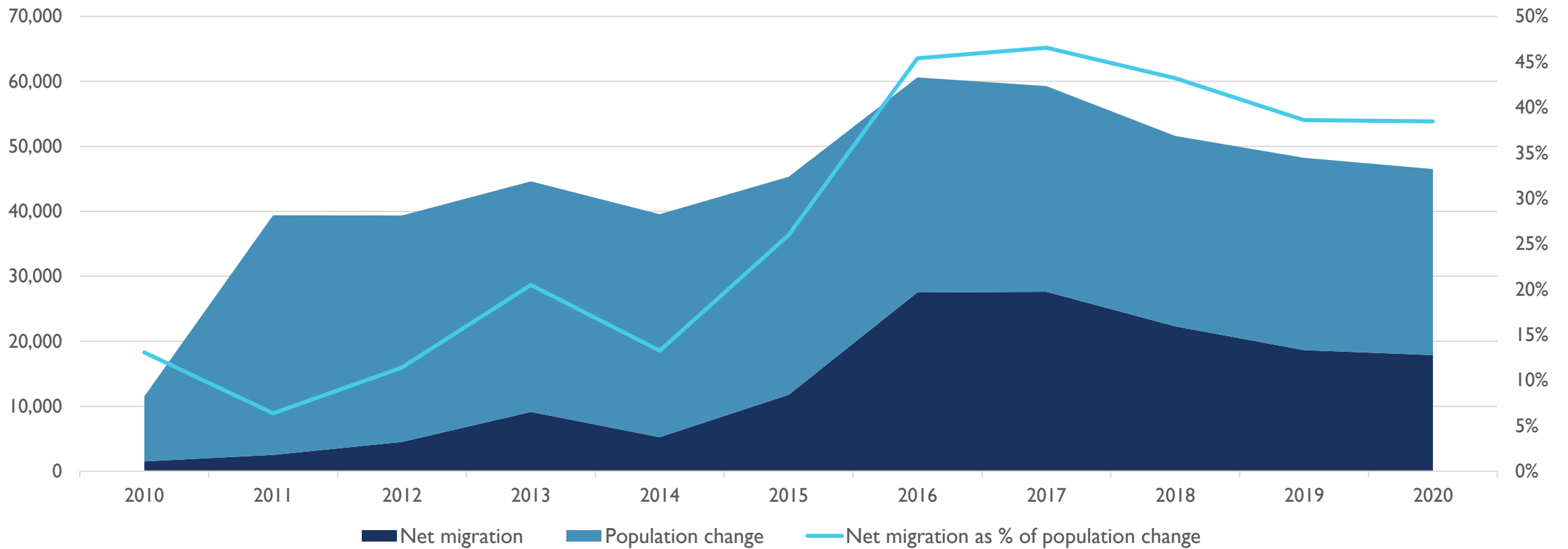
INFLATION CONSIDERATIONS

- Surge in demand for certain goods
- Supply chain issues become more salient
- Sector-specific
- Transitory?
- Effect on tax collections



OTHER FACTORS DRIVING ECONOMIC UNCERTAINTY

UTAH POPULATION CHANGE



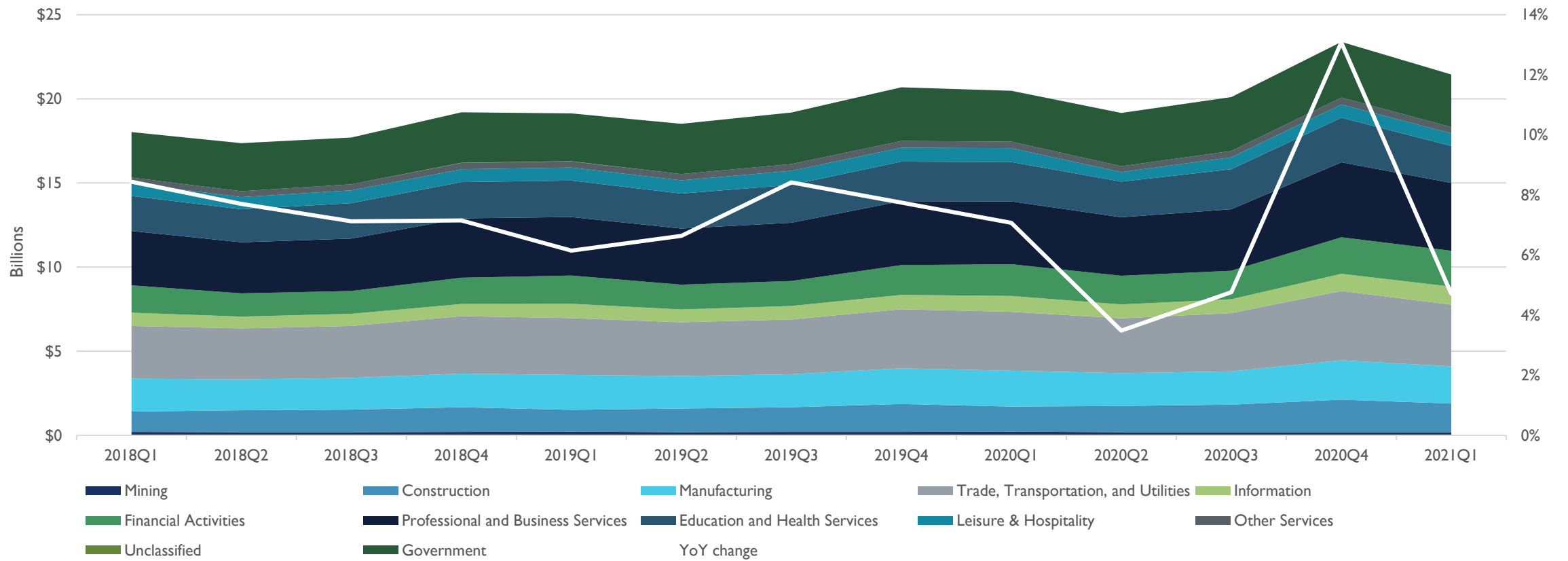
Source: U.S. Census Bureau

COVID MOVERS

- 1,828 more part-year filers in TY20 compared to TY19
- For filers 25+ years of age, part-time average AGI \$5,750 higher in TY20 compared to TY19
- For filers 25+ years of age, average AGI \$10,481 higher for part-time compared to full-time resident filers

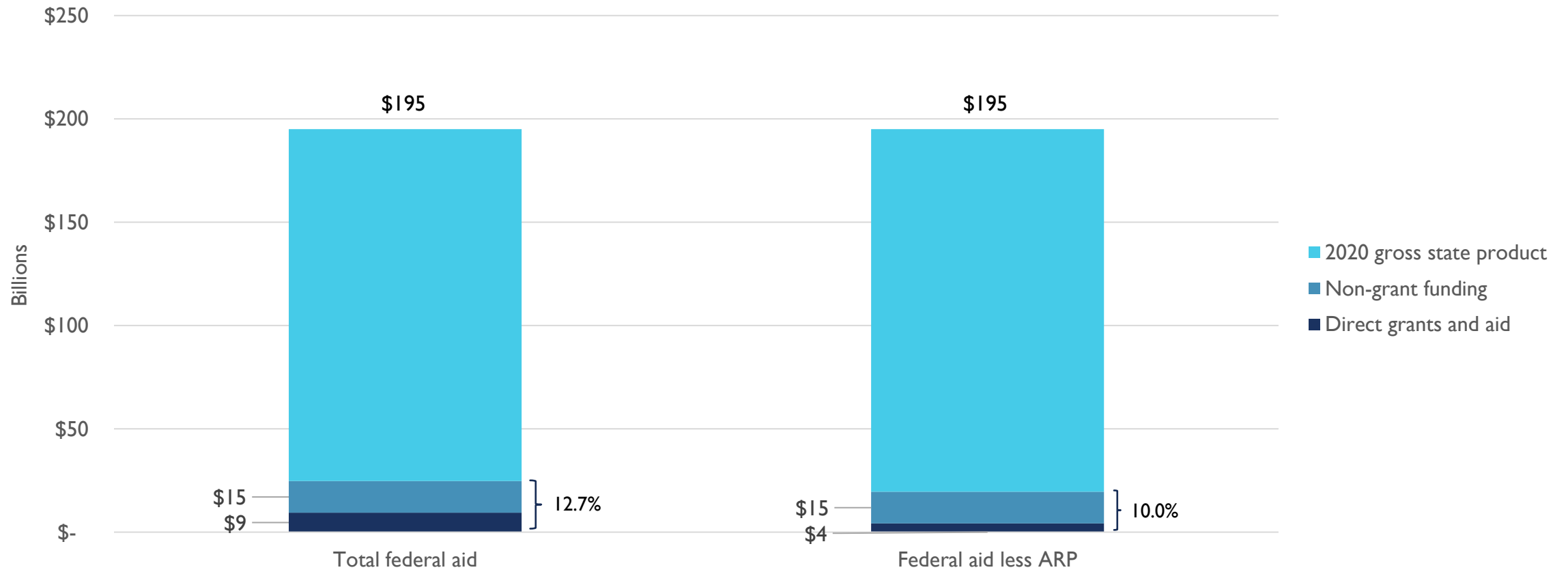


WAGE VOLATILITY



Source: Utah Department of Workforce Services

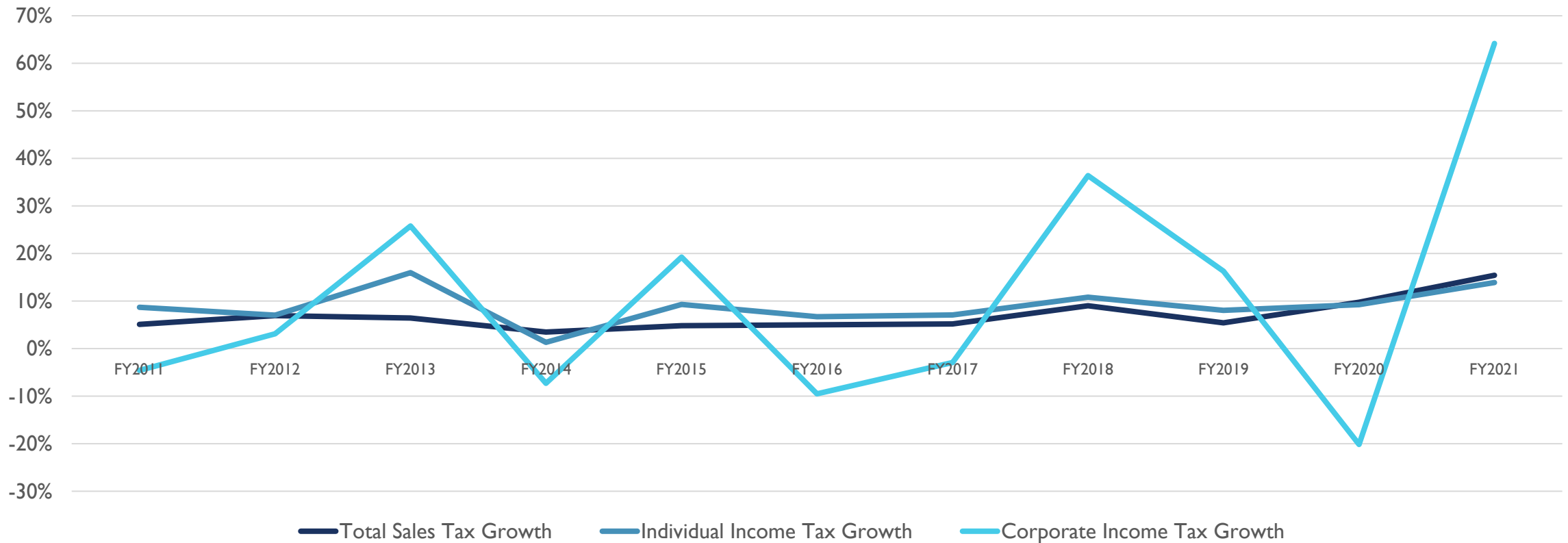
FEDERAL AID AS % OF GSP



Source: U.S. Bureau of Economic Analysis, Governor's Office of Planning and Budget

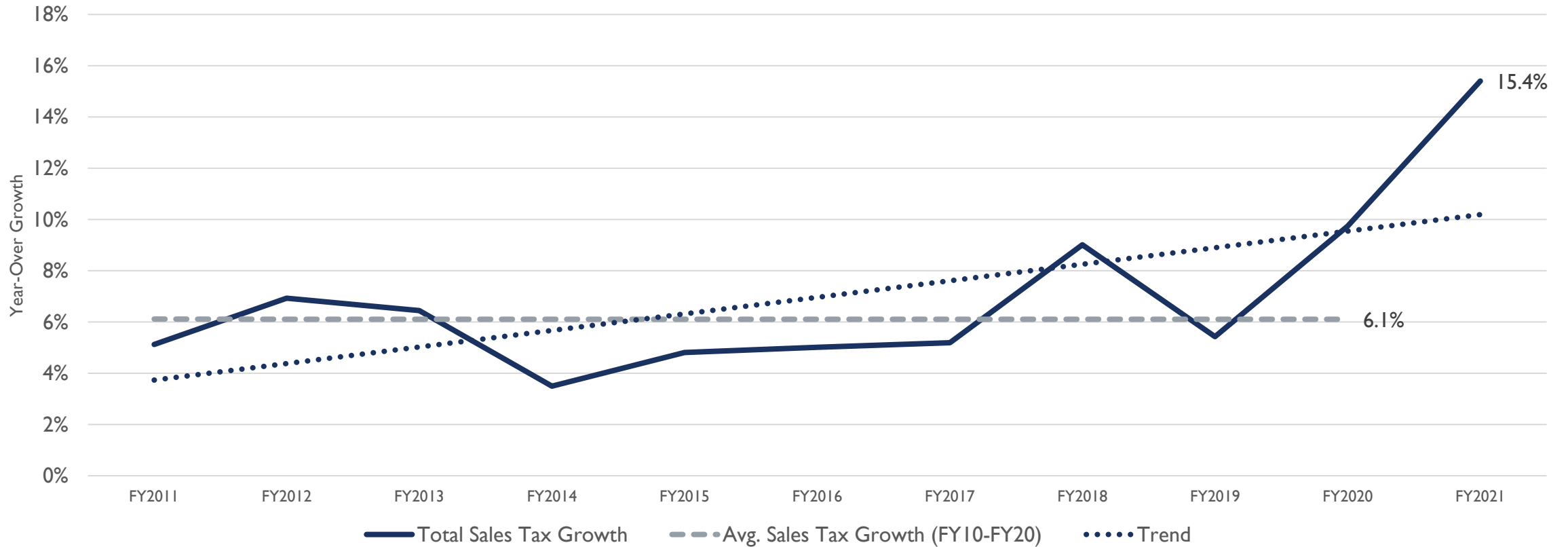
EFFECT ON REVENUE

COLLECTIONS GROWTH



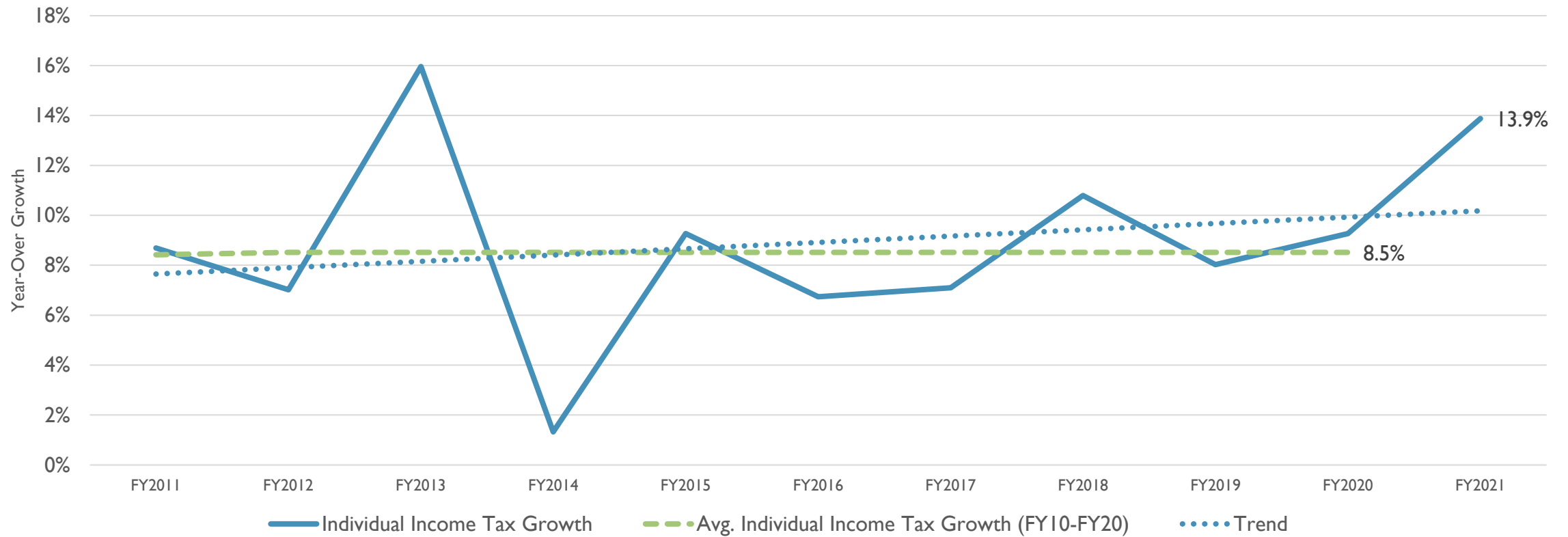
Source: Office of the Legislative Fiscal Analyst

TOTAL SALES TAX GROWTH



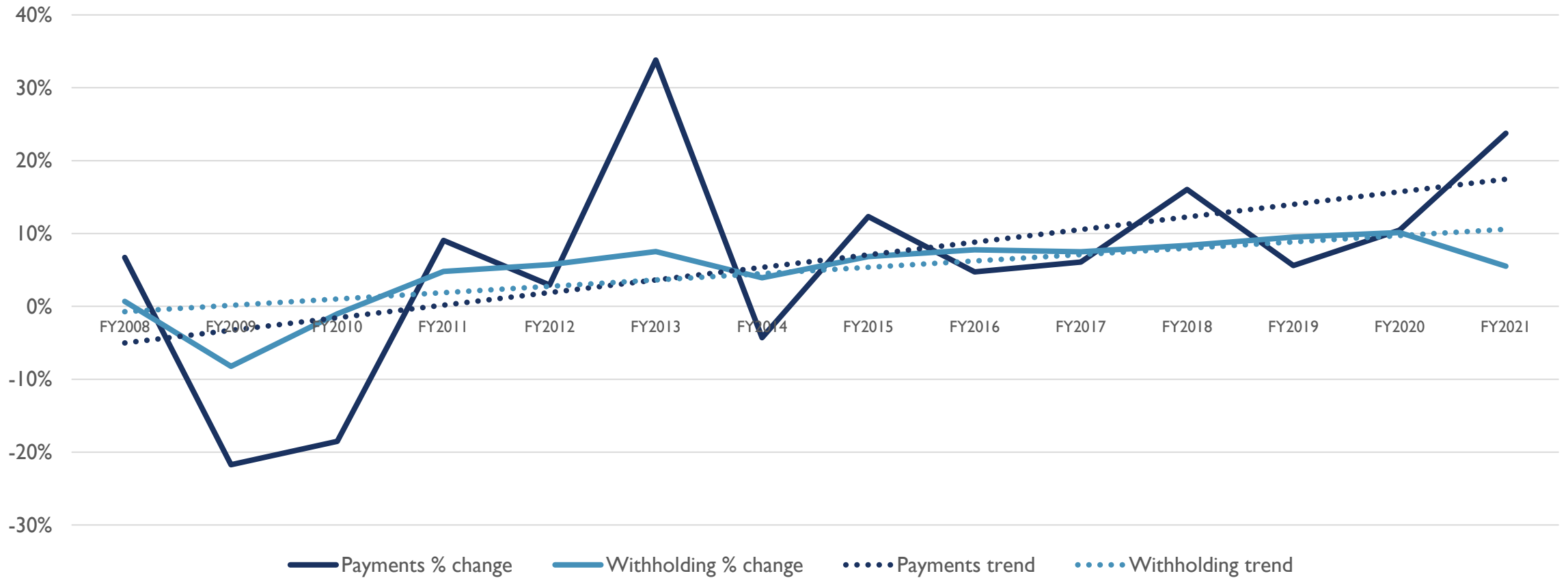
Source: Office of the Legislative Fiscal Analyst

INDIVIDUAL INCOME TAX GROWTH



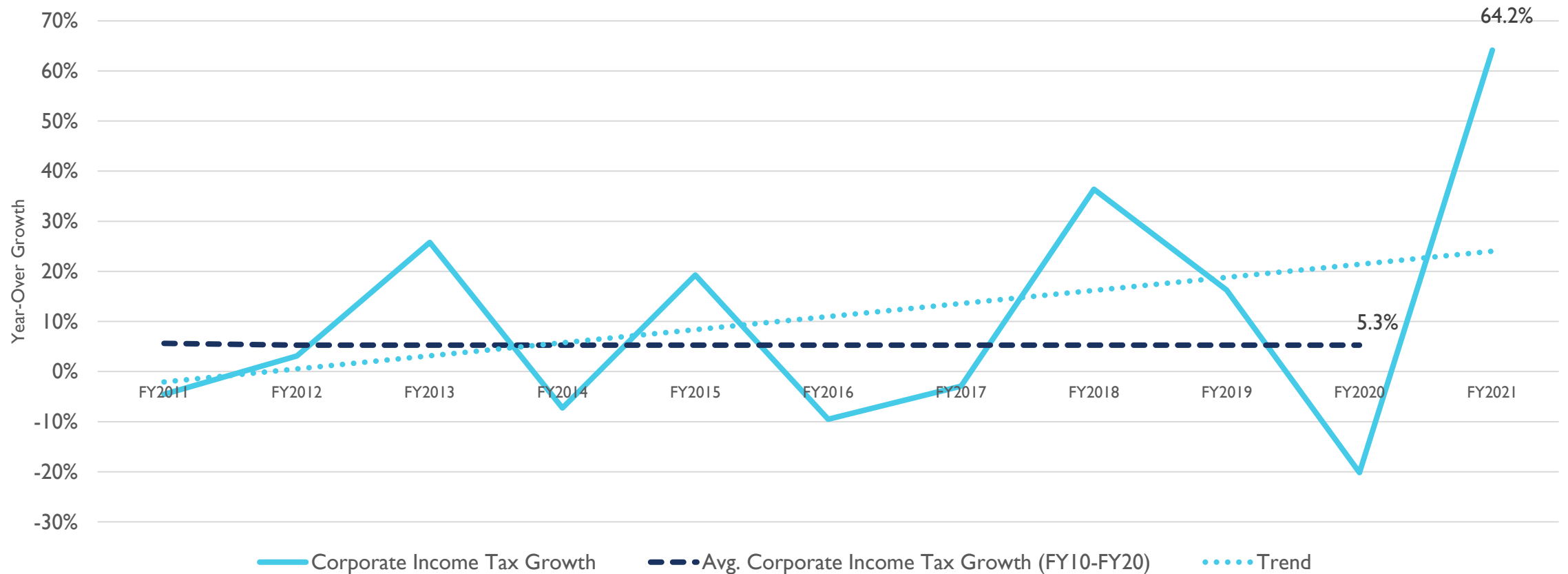
Source: Office of the Legislative Fiscal Analyst

INDIVIDUAL INCOME TAX GROWTH



Source: Office of the Legislative Fiscal Analyst

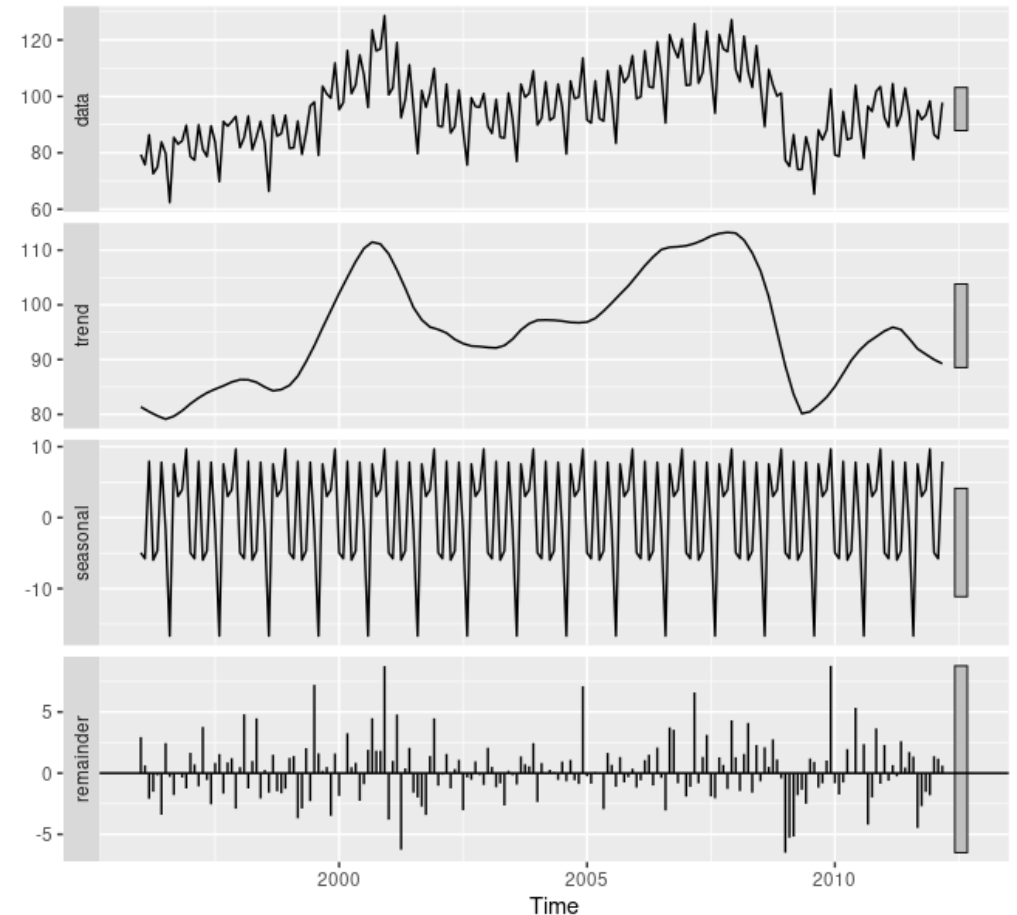
CORPORATE INCOME TAX GROWTH



Source: Office of the Legislative Fiscal Analyst

NEXT STEPS

- Revenue sustainability
- Time series decomposition
- Recommendation to Executive Appropriations



QUESTIONS?

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